

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

KONINKLIJKE PHILIPS ELECTRONICS
N.V. and U.S. PHILIPS CORPORATION,

Plaintiffs,

v.

THE ADS GROUP fka ADVANCED
DUPLICATION SERVICES LLC;
AMERICAN MEDIA INTERNATIONAL,
LTD.; CARBONITE INC.; THE
COMVEST GROUP; CONCORD
RECORDS, INC.; CONCORD MUSIC
GROUP, INC; EVA-TONE, INC.; HAL
LEONARD CORP.; HUDSON VALLEY
CAPITAL PARTNERS, INC.; INOVERIS
LLC; INTUIT INC.; METATEC
INTERNATIONAL, INC.; MTI
ACQUISITION LLC aka MTI
ACQUISITION CORP.; MUSIC CITY
OPTICAL MEDIA, INC.; ZOMAX
INCORPORATED; MICHAEL F.
HARDWICK, an individual; ARUN
KHURANA, an individual; JEAN A.
LAGOTTE JR., an individual; JOHN
EDGAR MOLL, and individual, JOHN
STEVEN MOLL, an individual; DAVID A.
SILVON, an individual; and John Does No.
1 through 100,

Defendants.

Case No. 08-cv-4068 (CLB)

**KONINKLIJKE PHILIPS ELECTRONICS N.V. AND U.S. PHILIPS CORPORATION'S
ANSWER AND DEFENSES TO INTUIT'S COUNTERCLAIMS**

Plaintiffs Koninklijke Philips Electronics N.V. and U.S. Philips Corporation (collectively
"Philips") by and through their undersigned counsel, hereby respond to the Counterclaims for
Declaratory Judgment of Defendant Intuit, Inc. ("Intuit") as follows:

THE PARTIES

1. Philips is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in Paragraph 1 of Intuit's Answer and Counterclaims, but Philips does not deny those allegations because they are admissions by Intuit.

2. Philips admits that Koninklijke Philips Electronics N.V. is a corporation organized under the laws of The Netherlands with a place of business in Amsterdam, The Netherlands.

3. Philips admits that U.S. Philips Corporation is a corporation organized under the laws of Delaware with places of business at 3000 Minuteman Rd., M/S 109, Andover, MA 01810, and at 345 Scarborough Rd., Briarcliff Manor, New York. Except as so admitted, Philips denies any remaining allegations in Paragraph 3 of Intuit's Answer and Counterclaims.

JURISDICTION AND VENUE

4. Philips admits that jurisdiction in this Court is proper. Except as so admitted, Philips denies any remaining allegations in Paragraph 4 of Intuit's Answer and Counterclaims.

5. Philips admits that jurisdiction in this Court is proper. Except as so admitted, Philips denies any remaining allegations in Paragraph 5 of Intuit's Answer and Counterclaims.

6. Philips admits that venue in this district is proper. Except as so admitted, Philips denies any remaining allegations in Paragraph 6 of Intuit's Answer and Counterclaims.

FIRST COUNTERCLAIM

7. Philips incorporates its responses in Paragraphs 1-6 as if fully set forth herein in response to Paragraph 7 of Intuit's Answer and Counterclaims.

8. Philips admits that it has alleged ownership of the '846 patent, and that Intuit has been and currently is infringing the '846 patent. Except as so admitted, Philips denies any remaining allegations in Paragraph 8 of Intuit's Answer and Counterclaims.

9. Philips denies the allegations of Paragraph 9 of Intuit's Answer and Counterclaims.

10. Philips admits that an actual controversy exists between Philips and Intuit as to whether the '846 patent is infringed by Intuit. Except as so admitted, Philips denies any remaining allegations in Paragraph 10 of Intuit's Answer and Counterclaims.

11. Philips denies that Intuit is entitled to the relief it seeks, and therefore denies the allegations in Paragraph 11 of Intuit's Answer and Counterclaims.

SECOND COUNTERCLAIM

12. Philips incorporates its responses in Paragraphs 1-11 as if fully set forth herein in response to Paragraph 12 of Intuit's Answer and Counterclaims.

13. Philips admits that it has alleged ownership of the '846 patent, and that Intuit has been and currently is infringing the '846 patent. Except as so admitted, Philips denies any remaining allegations in Paragraph 13 of Intuit's Answer and Counterclaims.

14. Philips denies the allegations of Paragraph 14 of Intuit's Answer and Counterclaims.

15. Philips denies the allegations of Paragraph 15 of Intuit's Answer and Counterclaims.

16. Philips admits that an actual controversy exists between Philips and Intuit as to whether the '846 patent is infringed by Intuit. Except as so admitted, Philips denies any remaining allegations in Paragraph 16 of Intuit's Answer and Counterclaims.

17. Philips denies that Intuit is entitled to the relief it seeks, and therefore denies the allegations in Paragraph 17 of Intuit's Answer and Counterclaims.

INTUIT'S PRAYER FOR RELIEF

18. Philips denies that Intuit is entitled to the relief it seeks in its Prayer for Relief.

PHILIPS' DEFENSES

19. In addition to the defenses set forth below, Philips reserves the right to allege additional defenses as they become known through the course of discovery.

20. Intuit's Counterclaims are barred in whole or in part because they fail to state a claim on which relief can be granted.

21. Intuit's claims are barred in whole or in part because Intuit has not suffered, and will not suffer, any detriment, injury, or damage.

22. Intuit's claims are barred for the reasons set forth in the First Amended Complaint.

PHILIPS' PRAYER FOR RELIEF

WHEREFORE, Philips requests entry of judgment in its favor and against Intuit as follows:

A. That Intuit's Counterclaims and all claims asserted against Philips be dismissed with prejudice;

B. Enter judgment granting Philips the relief requested in its First Amended Complaint; and

C. Award Philips such other and further relief as this Court may deem just and appropriate.

DEMAND FOR JURY TRIAL

Philips demands a jury trial on all issues and claims so triable.

Date: July 21, 2008

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Certificate of Service

I hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF).

/s/ Christopher J. Houpt _____